

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

Potomac Ridge Consulting, LLC,)
Plaintiff,)
v.)
Gray Enterprises Plus,)
Serve: Denise C. Gray) Civil Action No. _____
126 Woodland Drive)
Indian Head, MD 20640)
and)
Denise C. Gray)
938 E Swan Creek Road)
Fort Washington, MD 20744)
Defendants.)

)

COMPLAINT

Plaintiff Potomac Ridge Consulting, LLC (“Plaintiff” or “Plaintiff Potomac Ridge”), by and through undersigned counsel, files this Complaint against Gray Enterprises Plus (“Defendant Gray Enterprises”) and Denise C. Gray (“Defendant Gray”) (collectively, “Defendants”), to recover damages suffered as a result of Defendants’ breach of the parties’ Consulting Agreement and two payment agreements.

NATURE OF THE ACTION

1. This is an action for breach of contract seeking an award of damages, attorneys' fees and other relief as a result of Defendants' failure to repay \$900,000 owed to Plaintiff for the provision of consulting services.

PARTIES

2. Upon information and belief, Defendant Gray Enterprises is a Maryland sole proprietorship with its principal place of business located either in Indian Head, Maryland or Fort Washington, Maryland.

3. Denise Gray is an individual residing in Fort Washington, Maryland. Denise Gray is the sole owner of Defendant Gray Enterprises.

4. Plaintiff Potomac Ridge Consulting, LLC is a Virginia limited liability company with its principal place of business in Alexandria, Virginia.

JURISDICTION AND VENUE

5. Upon information and belief, Defendant Gray Enterprises is located at 126 Woodland Drive, Indian Head, MD 20640, or 938 E Swan Creek Road, Fort Washington, MD 20744.

6. Upon information and belief, Denise Gray resides at 938 E Swan Creek Road, Fort Washington, MD 20744.

7. This Court has subject matter jurisdiction over this action under 28 U.S.C. § 1332 as this action seeks monetary damages resulting from Defendants' actions, in an amount exceeding \$75,000, and there is complete diversity of citizenship between Plaintiff and Defendants. Plaintiff is a citizen of Virginia. Defendants are citizens of Maryland.

8. This Court has personal jurisdiction over Defendant Gray Enterprises and Defendant Gray as they transact business in Virginia.

9. Venue is appropriate in the Eastern District of Virginia pursuant 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the claim occurred in this judicial district.

FACTUAL ALLEGATIONS

10. Plaintiff Potomac Ridge is a consulting group that helps its clients navigate the federal government and grow their business in the federal sector.

11. Defendant Gray Enterprises is a sole proprietorship organized under the laws of Maryland. Defendant Gray is the sole owner of Defendant Gray Enterprises.

12. Defendant Gray Enterprises engaged Plaintiff pursuant to a June 20, 2020 agreement to perform consulting services (the “Consulting Agreement”). A true and correct copy of the Consulting Agreement is attached as Exhibit A.

13. Specifically, Plaintiff provided consulting services to assist Defendant Gray Enterprises in supplying Personal Protective Equipment (“PPE”) to federal agencies.

14. Pursuant to the Consulting Agreement, Plaintiff facilitated the sale of medical gowns to the Department of Veterans Affairs in the summer of 2020. For those services, Defendants were to pay Plaintiff a success fee of \$500,000. *See* September 28, 2020 Invoice, attached hereto as Exhibit B.

15. Despite repeated promises to pay the \$500,000 owed, Defendants failed to deliver payment.

16. For example, on February 25, 2021, Denise Gray, as the owner of Defendant Gray Enterprises, agreed that Defendants would pay the \$500,000 success fee by March 12, 2021. Defendants failed to pay.

17. Likewise, on May 19, 2021, Defendants agreed to payment of the success fee in full by July 28, 2021. Defendants also agreed to pay a \$50,000 late fee if payment was not made by July 28, 2021. Defendants failed to pay.

18. Subsequently, Defendants requested, and Plaintiff agreed to fund, a loan in the amount of \$150,000.

19. Taking into account the success fee, loan, late fees, and interest, Defendants owe Plaintiff a total of \$900,000.

20. On September 1, 2021, Plaintiff entered into a Payment Agreement with Defendant Gray Enterprises to memorialize the \$900,000 debt (the “September 2021 Payment Agreement”). A true and correct copy of the September 2021 Payment Agreement is attached as Exhibit C.

21. Pursuant to the September 2021 Payment Agreement, Defendant Gray Enterprises agreed to pay the \$900,000 debt in full on September 8, 2021. Ex. C at 1.

22. In addition, Defendant Gray Enterprises represented and warranted that “this Payment Plan was developed in such a manner that the Debtor [Gray Enterprises] can make the required payments without causing further debt or detriment and payee [Potomac Ridge] is first for payment.” *Id.*

23. The September 2021 Payment Agreement also states, “In the event that payer’s funds are not available on 8 September for successful payment, payee will engage in formal and legal action to recover the full amount of \$900,000 identified above. Payer will be responsible for

all fees associated with collecting the full amount owed, including, but not limited to its attorneys' fees, collection fees and the like." *Id.*

24. Defendant Gray executed the September 2021 Payment Agreement on behalf of Defendant Gray Enterprises. *Id.* at 2.

25. In or around late August 2021, Defendants issued a check to Plaintiff postdated September 8, 2021 and in the amount of \$900,000. *See* Check No. 1067, attached hereto as Exhibit D.

26. However, prior to September 8, 2021, Defendants issued a stop payment order on the check.

27. Thus, Defendants failed to pay Plaintiff the \$900,000 debt acknowledged in the September 2021 Payment Agreement.

28. Significantly, Defendants have not disputed the amounts owed. For example, in February 2022, Plaintiff discussed a possible payment plan with Defendants for a total repayment of \$900,000, and Defendant Gray responded, "I completely agree." *See* Exhibit E.

29. Nonetheless, Defendants continued to avoid payment.

30. On or about December 11, 2022, Defendants entered into a new Payment Agreement with Plaintiff (the "December 2022 Payment Agreement"). A true and correct copy of the December 2022 Payment Agreement is attached as Exhibit F.

31. In the December 2022 Payment Agreement, Defendants "acknowledge[d] that pursuant to the September 2021 Agreement, Gray Enterprises is justly indebted to Potomac Ridge, in the amount of NINE HUNDRED THOUSAND AND NONE/100 (\$900,000)." Ex. F at 1.

32. Pursuant to the December 2022 Payment Agreement, Defendants agreed to pay the \$900,000 owed in three equal, monthly installments. Ex. F at 1-2.

33. The first installment was due on December 30, 2022. Plaintiff further agreed to extend the deadline for the first installment to January 24, 2023.

34. Defendants failed to pay the first installment due on January 24, 2023.

35. Plaintiff subsequently learned that Defendant Gray had been hospitalized for health issues. To accommodate Defendant Gray's health emergency, Plaintiff agreed to further extend the deadline for the first installment to February 7, 2023.

36. Defendant Gray continued to experience health issues, and Plaintiff agreed to again extend the deadline for the first installment to February 15, 2023.

37. On or about February 16, 2023, Plaintiff further extended the deadline for the first installment to March 1, 2023.

38. Defendants failed to pay the first installment by March 1, 2023.

39. On March 10, 2023, Plaintiff sent a Cure Notice to Defendants, stating that pursuant to Paragraph 2(c) of the December 2022 Payment Agreement, Defendants had five business days to cure the breach of the agreement and pay the first installment of \$300,000. *See* Cure Notice, attached hereto as Exhibit G.

40. The Cure Notice further stated that if Defendants failed to pay the first installment within five business days, "all remaining Payments shall become due and payable to Potomac Ridge within ten (10) business days of the date of the Cure Notice." *Id.*

41. Defendants failed to comply with the Cure Notice.

42. On or about April 6, 2023, Defendants promised to make a partial payment by the end of the month.

43. Defendants failed to make the partial payment as promised.

44. On or about May 17, 2023, having learned that Defendant Gray was again experiencing health issues, Plaintiff once again extended the payment deadline to May 24, 2023.

45. Defendants again failed to make any payment by the deadline.

46. Defendants have repeatedly admitted to owing the \$900,000 debt to Plaintiff Potomac Ridge and have repeatedly promised to pay the amounts owed.

47. Plaintiff has provided Defendants ample opportunity to pay the amounts owed.

48. To date, however, Defendants have not made any payments towards the \$900,000 owed.

49. As such, Plaintiff has been injured in the amount of \$900,000, plus attorneys' fees and costs.

COUNT I – BREACH OF CONTRACT

50. Plaintiff incorporates each preceding paragraph and all allegations as though set forth herein.

51. The Consulting Agreement, the September 2021 Payment Agreement, and the December 2022 Payment Agreement entered into between Plaintiff and Defendants are valid and enforceable contracts.

52. Plaintiff performed its obligations under the Consulting Agreement, the September 2021 Payment Agreement, and the December 2022 Payment Agreement.

53. Pursuant to the Consulting Agreement, Defendants owe a \$500,000 success fee to Plaintiff in connection with the provision of consulting services and the sale of medical gowns to the Department of Veterans Affairs.

54. Defendants failed to pay the \$500,000 success fee, late fees, and interest owed to Plaintiff pursuant to the Consulting Agreement.

55. Pursuant to the September 2021 Payment Agreement, Defendants acknowledged the \$900,000 debt (consisting of the success fee, loan, late fees, and interest) and agreed to repay the \$900,000 debt by September 8, 2021.

56. Pursuant to the December 2022 Payment Agreement, Defendants acknowledged the \$900,000 debt (consisting of the success fee, loan, late fees, and interest) and agreed to repay the \$900,000 debt in three monthly installments.

57. Defendants failed to repay the \$900,000 debt as required by the September 2021 Payment Agreement and the December 2022 Payment Agreement.

58. Plaintiff has demanded payment from Defendants several times. In response, Defendants promised to repay the debt, but then failed to do so.

59. Defendants' failure to repay the debt is a breach of the Consulting Agreement, the September 2021 Payment Agreement, and the December 2022 Payment Agreement.

60. As a result of these breaches, Plaintiff has suffered damages of not less than \$900,000 plus interest.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that the Court enter judgment against Defendants and enter an Order granting Plaintiff the following relief:

- a. An award of damages in the amount of \$900,000, plus interest;
- b. Post-judgment interest;
- c. Attorneys' fees and costs; and
- d. Any such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands trial by jury of all issues so triable.

Dated: October 11, 2023

Respectfully submitted,

/s/ Nadia A. Patel
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